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BUREAU OF MILK POOLING
POLICY AND PROCEDURAL LETTER NO. 8.3

CALCULATION OF PLANT LOSS

This letter which supersedes Policy and Procedural Letter No. 8.2 dated May 9, 1980, updates the sections and line number identification to conform to the current format of the MPB Form 800. There is no change in procedural principle from the preceding letter.

Plant loss for the reported month is calculated through the Pooling system as follows:

1.   Total all receipts by pounds product and pounds fat from all sources, including opening inventories, in the order listed on the MPB Form 800 under Line 10 through 02. Compute the pounds skim by deducting the total pounds fat from total pounds product. This gives the total fat and total skim available for usage.

2.   Total, by pounds product and pounds fat, all the disposition and utilization reported on Line 50 through 85, and 95 through 99. Compute the pounds skim by deducting the total pounds fat from the total pounds product.

        Deduct from the total skim so computed the pounds of condensed nonfat used in fortification of Class 1 as reported as a memo item on Line 91. Deduct from the total skim, the dry solids used in fortifying Class 1 as reported as a memo item on Line 92, and the increased volume weight because of such fortification. (It is considered that the addition of 13.4 pounds of dry solids increases volume by one gallon.)

3.   Compare the total fat disposition and the adjusted total skim disposition as determined under Number 2 with the respective fat and skim totals available for usage as determined under Number 1.

4.   The amount that the totals under Number 1 exceed those of Number 2 represents the plant loss of fat and skim, and class usage will be adjusted pursuant to Section 801(a)(9) of the Plan.

5.   If the total disposition of either fat or skim is greater than the total of such component available for usage, a plant gain or overutilization has occurred and no adjustment is made.

An example illustrating this calculation procedure is shown on the reverse side.

R.E. Rominger
Director
                                                            see quatro for example
By

Glenn Gleason
Dated: August 23, 1982